



Inter Department Correspondence Sheet

TO: Members of City Council

FROM: Breck Daughtrey, City Clerk

COPIES TO: _____

SUBJECT: Minutes of City Council Meeting

August 19, 2013

Attached are the minutes of the City Council meeting held on Tuesday, July 23, 2013.

Breck

NORFOLK, VIRGINIA

REGULAR SESSION OF COUNCIL

TUESDAY, JULY 23, 2013

President Fraim called the meeting to order at 5:12 p.m. with the following members present: Mr. Burfoot, Mr. Riddick, Mr. Smigiel, Dr. Whibley, and Mr. Winn. Mr. Protogyrou and Ms. Williams were absent.

He thereupon called on the City Manager for agenda review.

Mr. Jones gave a brief overview on the informal agenda items and briefly touched on two docket items: Ordinances on GEM lots and Resolution R-11.

A. SPSA UPDATE

Ron Williams, Assistant City Manager, introduced Judge Leafe, the Chairman of the SPSA Board. He stated that Judge Leafe will be completing his term after serving as Board Chairman for the last three years.

Judge Leafe updated Council as follows:

Tipping fees have gone down from \$170 a ton to \$125 a ton. He stated that Wheelabrator and SPSA have worked together very well. Based on the management and financial pieces in place there should be no increases for the next three to four years. He added that SPSA is on target to be debt free by 2018. The amount of money that Norfolk spends on solid waste has gone down substantially over the past four years. There has been a lot of downsizing in terms of employees; however, operations are good at this point in time, in terms of the handling of solid waste for the region, which includes the operation of the transfer stations and transportation from the transfer stations to the waste to energy plant. Most all of the jurisdictions have passed resolutions saying that the regional approach is the best way to proceed in the future.

They have also been successful in getting State approval for the expansion of cell seven. The current cell six can permit the communities to go until approximately 2030. The new cell seven will permit 30 to 40 years beyond that. There are unanswered questions to deal with in the future. There are potential

together with an equitable agreement on how to proceed in the future. Judge Leafé concluded by encouraging the city to stay engaged and continue working with the other jurisdictions on the issue of solid waste.

B. COUNCIL INTERESTS

1. Councilman Winn forwarded a letter to the City Manager concerning a fence in the Ghent Historic District.
2. Mayor Fraim distributed an article from the Wall Street Journal entitled "Strapped Rhode Island City Presses College to Anti Up" that talks about cities in the Northeast that are more reliant on local property taxes for revenue than in other parts of the country. He suggested that the topic should be brought before our General Assembly Members.
3. With regard to the Compensation Overview:
 - Mayor Fraim asked the City Manager to schedule time at the retreat for further discussion. He asked for more information on the DROP Program and specifically what other cities use it. He also asked for more information on retirement funding, the Step System, and what can we do to alleviate compression.
 - Councilman Smigiel stated that he continued to be concerned for our retirees when we offer a salary increase to our employees but do nothing for the retirees. He also asked what we can do to get general employees to live in Norfolk.
4. With regard to the Ban The Box initiative, Councilman Smigiel asked that Council be notified when it becomes official. Mayor Fraim added that the public also needs to be informed.

C. COMPENSATION OVERVIEW

PRESENTATION

Sabrina Joy-Hogg, Assistant City Manager, stated that they are in the process of reviewing our present salary structure; Step-based compensation and possible alternatives; and initiatives that impact retirement benefits. Personnel costs make up almost three quarters of departmental budgets. The Department of Human Resources conducts a market study every year comparing Norfolk's salaries with other Hampton Roads cities. We have approximately 37% that are below the regional average by more than 6%, 23% that are above the average by more than 6%, and 40% within 6% of the regional average. She reviewed how general employee salaries have increased since 1997. Due to the recession

we were not able to give a step increase in 2010 and through 2014. We were able to give some general wage increases (GWI) in 2013 and 2014. She noted that we have been comparable to the other cities.

She explained the Step System and added that it does cause a little bit of compression. When they looked at other Hampton Roads cities for pay structure models they found that we are the only locality that uses a Step System for general employees. There are three other localities that use a Step System for sworn officers. Most have open ranges and that is an alternative that we are studying. They are also looking at compensation initiatives that may impact retirement. Right now the retirement system is well funded at 80.7%. There is ongoing discussion about going towards Virginia Retirement System (VRS) and they are studying what the advantages and disadvantages are. They have also talked about a Deferred Retirement Option Program (DROP).

In closing, Ms. Joy-Hogg stated that the goals of the Compensation Review are:

- Look at compensation and salaries and study scenarios to relieve compression.
- Determine if the Step System is appropriate and for which employees.
- Look at long-term sustainability of our defined benefit retirement plans.

D. BAN THE BOX **PRESENTATION**

Sabrina Joy-Hogg, Assistant City Manager, explained the initiative concerning check boxes on our employment application related to felonies and misdemeanors. These check boxes will be eliminated for most positions. For positions deemed sensitive, which are Public Safety and positions working with children, elderly and disabled patients, they will continue the practice of looking at criminal history based on the evaluation of the gravity of the offense, length of time since conviction, and whether or not it's applicable to the job. Policies will be developed to guide Human Resources on which jobs will need criminal history checks.

E. TEAM BETTER BLOCK WRAP-UP

Ron Williams, Assistant City Manager, stated that the final report recaps how the demonstration was put together and provides an implementation strategy. The implementation recommendations are built around programming and business development in the area. They plan to use these strategies in other parts of the city.

F. REVISIONS TO FLOOD PLAIN REGULATIONS

PRESENTATION

Frank Duke, Director of Planning, briefed Council on the revisions to the Floodplain Regulations and the City Planning Commission's recommendations. There are also some alternative proposals for modification that have been made by different groups in the city.

At an earlier presentation, Mr. Kiefer noted that one of the things we need to do in order to protect Norfolk from flood damage is to change our regulations because we are seeing more frequent flooding in the City. Another thing we need to bear in mind is that changes in the Federal law will cause flood insurance rates to rise over the coming years. The Federal government, in an effort to reduce the amount of subsidy that is being provided to homeowners who are experiencing flooding, has directed that flood insurance rates move toward becoming actuarial.

We are also seeing repetitive losses in flooding and this includes areas that have never experienced flooding before, what we typically consider more inland areas of the city. (A map showing the areas of repetitive loss was presented.) This is happening in part due to the issues of sea level rise. Scientific projections show that sea level rise could be close to two feet over the next 30 years. (Map of city's flood zones presented.)

Because of the issues we've experienced with flooding, one of the things that we participate in is the Community Rating Service (CRS). This is a system where the Federal government gives us credit for proactive things the city is doing to address flooding issues. The higher your score is in the CRS, the greater the reduction is in insurance premiums. We are presently at a rating of 9 (10 being the lowest). We are trying to move this up to a 7 or 8. There is an array of regulatory and administrative things we can do to accomplish this and we are looking at all of them. Other changes will also have to be made; for example, how we measure the height of a structure. Another example would be that any development within an X zone has to have a finished floor or be flood-proofed to at least 18 inches above grade. Another issue they are looking at is to establish a repetitive loss provision in the flood ordinance. The reason for having repetitive loss in the ordinance is so that the homeowner whose home is flooded can qualify for additional funding from FEMA to raise their home (up to \$30,000). He noted that there have been eight different public meetings on the issues.

In conclusion four options were presented for Council's consideration:

Option 1- City Planning Recommendation

- Adopt as drafted.
- Provides opportunity to gain the most CRS points to help reduce flood insurance premiums for all citizens with flood insurance both in the floodplain and outside.

Option 2 - TBA/HRRA Recommendation

- Reduce the cumulative improvement and damage provision to a 5-year period.
- Would allow the opportunity to address properties that receive damage multiple times.
- Fewer CRS points are available as compared to 10 years.

Option 3 – Willoughby Recommendation

- Modify cumulative improvements and damages provision to only apply to improvements and flood events
- All other recommendations remain unchanged
- Has no impact on possible CRS points

Option 4

- Make no changes to existing regulation
- No improvement to CRS rating

Mr. Duke asked City Council to:

- Provide direction as to what changes, if any, are desired
- Authorize advertising for a public hearing on August 27th

Council suggested that the Ordinance be drafted as proposed and to schedule a public hearing. The public hearing will be closed and they will not vote on it at that time. Council will then have a chance to talk to their constituents about the issues. Council asked the City Manager to schedule time for further discussion. If modifications to the Ordinance are needed then another public hearing can be scheduled.

G. UPDATE ON 161 GRANBY STREET

PRESENTATION

Frank Duke, Planning Director, stated that US Development has contracted with McPherson Design Group for the structural engineering. They are particularly looking at what needs to be done on the ground floor which is the area in the building that is not safe. MDG is the same firm used by the city to do the evaluations. They have hired McCory Construction to do the work on the parapet wall. A mediation plan is in development and Staff notified them that we need to have it by September. They do have their permanent financing for 161 Granby Street and Commonwealth Preservation Group is working on Historic Tax Credits for them. They are also working with architects on the design work. Staff continues to monitor the work closely.

H. CLOSED SESSION

Motion for closed session was approved for purposes which are set out in **Clause 3** of subsection **(A)** of **Section 2.2-3711** of the Virginia Freedom of Information Act, as amended:

(3) Discussion of the acquisition of real property for 333 Waterside Drive and 6282 Northampton Boulevard.

Yes: Burfoot, Riddick, Smigiel, Whibley, Winn and Frain.

No: None.